

PORTFOLIO AREA: CORPORATE RESOURCES

Date of Meeting: 15th October 2001

Public

Key Decision: Yes

Recorded in Forward Plan: Yes

Inside Policy Framework

Title: REVIEW OF CHARGES 2002/2003 – LICENSING

Report of: **City Solicitor & Secretary and City Treasurer**

Report reference: Financial Memo 2001/2002 No. 95
TC 210/01

Summary:

This report reviews the existing Licensing charges as part of the Council's Corporate Charging policy and makes recommendations for charges for 2002/2003.

Recommendations:

The Executive is asked:

1. to approve the charges as set out in Appendix 1 and that the increases shall be effective from 1st February 2002.
2. to authorise the imposition of fees in respect of Door Supervisors registration on Public Entertainments licences.

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Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

1. BACKGROUND INFORMATION AND OPTIONS

1. INTRODUCTION

- 1.1 Each Service is required to carry out an annual review of its charges.
- 1.2 This report proposes the review of the Licensing Charges and makes recommendations for increases where this is considered appropriate. The report has been prepared in accordance with the principles set out under the Council's Corporate Charging Policy.
- 1.3 The current and proposed charges are set out in Appendix 1 for information. It should be noted that the charges are effective from 1st February 2002 as that is when the bulk of the licences become due.

2. CORPORATE CHARGING POLICY

- 2.1 The Corporate Charging Policy, that was approved by Policy and Resources Committee on 30 August 2001, sets an income target to produce an overall increase in income equal to inflation plus 1%.
- 2.2 Therefore, for 2002/03 each service is required to achieve a corporate target for income generation of 3.5% (RPI of 2.5% plus 1%) and the increases proposed have been set with this requirement in mind. In addition, the policy requires Service Managers to investigate the scope for charging for services that have not been traditional charging areas in the past.
- 2.3 In relation to Licensing, as this is a statutory function and there are no concessions offered on the service, this report has concentrated on the target income increase.
- 2.4 A further consideration in relation to Licensing charges has been to examine and if necessary alter the basis of a charge where it can be demonstrated that a higher charge can be justified by the workload involved or in comparison with other authorities charges.

3. LICENCES

3.1 Introduction

The City Council is empowered to issue a wide variety of licences. The Licensing Section of the Legal Services Unit of the Town Clerk and Chief Executive's Department carries out most of the work. Licensing functions are also undertaken by other Council Departments, i.e. City Treasury, Environmental Services Unit and Carlisle Works (Vehicle Testing). It is important that the fees recovered should be maximised in order that they can provide an efficient service to the public and to the applicants for licences. To this end it has always been recognised that the Licensing Service should attempt as far as possible to be self-financing.

3.2 Public Entertainment

The fee for a Public Entertainment Licence, where applicable, is currently £125 for a basic licence with occupancy set at less than 100 persons. Larger premises pay a higher fee based on a sliding scale according to capacity.

In the last year the number of non-standard hours premises has increased as the liquor licensing laws are being relaxed and variations are being made to Public Entertainment Licences. The most significant change being Sunday opening, which can be extended to 12.30am and an admission charge can now be made. This situation requires increased enforcement to ensure that the conditions attached to licences are being complied with.

Enquires have been made with 15 Local Authorities comparing fees for two types of premises. The first is a Public House with less than 100 occupancy and standard hours. In this scenario the fee varied between £95 and £1400. This Council was second cheapest at £125. The second scenario was a nightclub with occupancy of 450 persons operating until 1am. The fees varied between this Council, which is the lowest at £230 and the highest at £5120.

An increase in the basic licence fee to £130 (Increase of 4%) is suggested. This would continue to encourage the smaller premises to obtain a licence and offer entertainment to their customers. A fee of £157, (Increase of 5%), is suggested for the non-standard hours licence, with corresponding increases for larger premises. This increase reflects the additional enforcement required for premises with later opening hours.

Local Authorities do not have the power to charge for public entertainment licences issued to village halls, community centres and church premises as far as their own functions are concerned. There is discretion to charge for educational premises for their own functions, however these applications are in the minority.

It should be recognised that approximately 40% of the administration work undertaken on public entertainment licensing is for non fee paying premises.

The estimated total yield from the suggested increases in 2002/2003 is £22,830 with the individual charges set out in Appendix 1.

A condition attached to the Public Entertainment Licence requires the licence holder to register any Door Supervisors employed by him with this council. A fee of £19 was made for each registration from 1st February 2001.

As a result of a case in the Court of Appeal involving Liverpool City Council's registered Door Supervisors Scheme earlier this year, it is no longer lawful to charge the applicant for the administration of the Door Supervisors registration. The court decided that a charge may be made to the Public Entertainment licence holder, who through his conditions becomes responsible. All Door Supervisors registrations became due on 30th

September 2001 and it was not possible to make any charge for performing this function. The loss in revenue during 2001/02 is currently £2,660.

The provision of Door Supervisors is the responsibility of the Public Entertainment licensee, therefore that person should pay the registration fee. This additional fee will be payable at the same time as their licence is due for renewal, namely 30th April 2002. The number of registrations payable would be determined by a check of premises registers over the last 12 months. An increase in registration fee to £20 (increase of 5.3%) is suggested. This will generate a total income of £2800. The Executive are requested to authorise the levy of a fee of £20 per door supervisor in respect of a Public Entertainment licence where, in the opinion of the Licensing Officer, having regard to representations made by the Police, Door Supervisors are required for the satisfactory operation of the events held under the licence.

3.3 Cinema and Theatre Licences

Cinema licence fees are regulated by statute and the City Council already levies the maximum permitted charge (£600) for the larger cinemas. The current year has seen the number of cinema licences issued reduce from six to three. Theatre licences are fixed by the Local Authority and have normally been charged at the same level as a non standard hour's Public Entertainment licence. This principle is retained, as is the policy of a sliding scale as defined in the Public Entertainment Scale. The recommended fees, aimed at generating a total income of £2,550 in 2002/2003 are set out in Appendix 1.

3.4 Vehicle and Driving Licences

3.4.1 Driving Licences

During the year mandatory medical examinations and driving tests were introduced for both Hackney Carriage and Private Hire Drivers. Following this approximately fifty drivers and ten vehicles have not renewed their licences in 2001. The potential loss in revenue could amount to over £3000. During the year approximately twenty new drivers and six vehicle licences are applied for which should go some way to compensate for the shortfall, however an increase of 5% for both Hackney and Private Hire charges is suggested.

3.4.2 Hackney Carriages

Under the provision of the Transport Act 1981, the City Council may fix a reasonable fee to cover the cost of administration of Hackney Carriage Licences and vehicle inspections. Each Hackney Carriage is subject to an inspection by Carlisle Works before a licence is granted. Vehicles over one year old and under five years old are inspected twice a year and vehicles over five years old three times per year.

The revised fees, which aim to generate income of £42,270 in 2002/2003, are set out in Appendix 1.

3.4.3 Private Hire Vehicles

The Local Government (Miscellaneous Provisions) Act 1976 provides for the regulation of the private hire trade by means of the issue of licences for operators, vehicles and drivers. The arrangements for vehicle inspections are as for Hackney Carriages. The licensed Private Hire trade is increasing, due to vehicles on school contracts now coming within the legislation. The additional income will go some way to compensate for the reduction in Hackney Carriage fees.

The revised fees, which aim to generate income of £20,230 in 2002/2003, are set out in Appendix 1.

3.5 Miscellaneous Licences

The City Council also issues a number of miscellaneous licences. These are governed by a variety of enactments but generally the fees are set at the discretion of the Local Authority. All require varying degrees of administration work as well as (in most cases) an annual inspection. The suggested new charges, which aim to generate income of £21,100 in 2002/2003, are set out in Appendix 1. Some of these licences fall within the control of the Director of Environment and Development as set out in Appendix 1.

In 2002/2003 approximately £6,000 will be received from Betting, Gaming and Lottery licences, the initial charge for which is determined by the Home Office and is at present £35 and the renewal fee is £ 17.50; these charges were last increased in December 1991.

4. **CONSULTATION**

Overview and scrutiny as part of the budget process

5. **STAFFING/RESOURCES COMMENTS**

Not applicable

6. **CITY TREASURERS'S COMMENTS**

The introduction of the charges suggested above is forecast to produce the following receipts totalling £114,980 in a full year, (although there is no guarantee that all licences will be renewed in 2002/2003). This represents an increase of 4.3% (i.e. an additional £4,750) over the budgeted income for 2001/2002 of £110,230.

Type of Licence	Original Est. 2001/2002			Estimate 2002/2003
	£			£
Public Entertainment (includes Door Supervisors)	22,060			22,830
Theatre & Cinema	2,930			2,550
Hackney Carriage	44,610			42,270
Private Hire	14,260			20,230
Miscellaneous - Town Clerk & Chief Exec.	19,230			19,900
- Environment	1,140			1,200
Betting, Gaming & Lottery	6,000			6,000
Total	110,230			114,980

7. LEGAL COMMENTS

Included in the report

8. CORPORATE COMMENTS

Not applicable

9. ENVIRONMENTAL IMPLICATIONS

Not applicable

10. RECOMMENDATIONS

It is recommended:

1. that the new charges as set out in Appendix 1 be approved and that the increases shall be effective from 1st February 2002
2. the fees in respect of Door Supervisors registration be imposed upon the Public Entertainment licences

11. REASONS FOR RECOMMENDATIONS

The reasons are set out in Paragraph 2.1

J M Egan
City Solicitor and Secretary

ENVIRONMENT COMMITTEE**LICENSING**

	<u>Charges</u> £	<u>Implementatio</u> <u>Date</u>	<u>Suggested</u> <u>Charge</u> <u>From 1/2/2002</u> £
1 (A) <u>Licences</u>			
<u>Public Entertainment</u>			
Certificate of suitability and Indoor Sports Licence	235.00	1.02.01	243.00
New licence or renewal of annual licence	125.00	1.02.01	130.00
Standard Hours (as standard liquor licensing hours) and less than 100 occupancy			
Non Standard Hours			
1-100 capacity	150.00	1.02.01	157.00
101-500 capacity	285.00	1.02.01	300.00
501-1,000 capacity	800.00	1.02.01	840.00
1,001-2,000 capacity	1,200.00	1.02.01	1,260.00
2,001 + capacity	2,700.00	1.02.01	2,835.00
Replacement of Public Entertainment Licence	25.00	1.02.01	26.00
Occasional Licence	25.00	1.02.01	26.00

Note: Open air entertainment licences are the same as above and covers one performance/event only

Cinema and Theatre Licences**Cinema**

Annual over 400 Seats	600.00	1.12.91	600.00
200 - 399 Seats	370.00	1.02.01	383.00
Under 200 Seats	210.00	1.12.91	217.00
Monthly (up to annual max)	210.00	1.12.91	217.00
Transfer	125.00	1.12.91	125.00

Theatres

Annual			
up to 500 seats	150.00	1.02.01	155.00
over 500 seats (as public entertainment scale)			
Video Licence	150.00	1.02.01	155.00

	<u>Charges</u>	<u>Implementatio</u>	<u>Suggested</u>
	<u>£</u>	<u>Date</u>	<u>Charge</u>
			<u>From 1/2/2002</u>
			<u>£</u>

(B) **Licences****Vehicles****Hackney Carriages**

Hackney Carriage	126.00	1.02.01	132.00
Hackney Carriage(wheelchair)	83.00	1.02.01	87.00

Hackney Carriage:

Driver	40.00	1.02.01	42.00
#Test Fee	43.00	1.02.01	43.00
#Re-test Fee	35.00	1.02.01	35.00
Certificate of Compliance	5.00	1.02.95	6.00
Plate Deposit	25.00	1.02.95	25.00
Transfer of Plate	10.00	1.02.95	15.00
Duplicate Items	5.00	1.02.95	5.00
Duplicate Identity Card	3.00	1.02.96	5.00

Private Hire Vehicles

Private Hire Vehicle	96.00	1.02.01	100.00
Private Hire Vehicle Driver	40.00	1.02.01	42.00

Private Hire Operators

1-5 vehicles	85.00	1.02.01	89.00
6-10 vehicles	126.00	1.02.01	132.00
11-20 vehicles	183.00	1.02.01	192.00
21-30 vehicles	270.00	1.02.01	283.00
31-40 vehicles	340.00	1.02.01	357.00
41-50 vehicles	424.00	1.02.01	445.00

Private Hire Vehicle:

#Test Fee	43.00	1.02.01	43.00
#Re-test Fee	35.00	1.02.01	35.00
Private Hire Plate			
(Deposit)	25.00	1.02.92	25.00
Certificate of compliance	5.00	1.02.95	6.00
Transfer of Plate	10.00	1.02.95	15.00
Duplicate Items	5.00	1.02.95	5.00
Duplicate Identity Card	3.00	1.02.96	5.00

*Inclusive of identity card

Subject to increases in test fees from Carlisle Works being passed on.

	<u>Charges</u> £	<u>Implementatio</u> <u>Date</u>	<u>Suggested</u> <u>Charge</u> <u>From 1/2/2002</u> £
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(C) **Licences - Miscellaneous**
(VAT Outside the Scope)

Responsibility of Licensing Section

Auctioneers	27.00	1.02.01	28.00
Door Supervisors (Levy on PEL)	19.00	1.02.01	20.00
Game Dealers	37.00	1.02.01	38.00
+ Gaming Permits (3 year)	32.00	1.02.98	
+ Gaming Permits (All Cash Machines 3 year)	250.00	1.02.99	250.00
Riding Establishments (+Vets Fee)	65.00	1.02.01	67.00
Sex Establishments	10,300.00	1.02.01	10,660.00
Street Traders	65.00	1.02.01	67.00
Late Night Refreshment Houses	85.00	1.02.01	88.00
Betting, Gaming and Lottery	35.00	1.12.91	35.00
BGL - Renewal	17.50	1.12.91	17.50

Responsibility of Environmental Services

Acupuncture, Ear Piercing and Tattooing	45.00	1.02.01	47.00
Animal Boarding Establishment	35.00	1.02.01	36.50
Dog Breeders	25.00	1.02.01	26.00
Pet Shops	50.00	1.02.01	52.00
Zoo Licences	50.00	1.02.01	52.00
Wild Animals (+Vets Fee)	50.00	1.02.01	52.00

* One-off registration fees

+ These Charges are set by the Home Office